

# Teaching Investments to High School Students

A Departmental Honors Project (HNRS 499)

by

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## ABSTRACT

### Teaching Investments to High School Students

The purpose of this project was to help high school students learn more about investments. This project was developed throughout eight weeks of class. There are several components of this project. The first was to study the three chapters in the textbook. After this overview of different types of investments, the class began a practice simulation entitled "The Stock Market: An Investment Simulation," published by South-Western Publishing Company.

Throughout the weeks of the practice simulation, the students took part in other activities. They were given a pretest and a posttest over the simulation, followed The New York Stock Exchange stock and NASDAQ stock in the Wall Street Journal, and go on a field trip to Chicago, Illinois. The field trip consisted of visiting The Chicago Stock Exchange, the Chicago Board of Trade, and the Federal Reserve Bank.

In addition to evaluating student progress, I also evaluated myself. Each week I evaluated my lesson plans and determined what changes needed to be made to make the lessons more successful.

## *Introduction*

This honors project is focused on a unit that I am doing with the Introduction to Business students during my student teaching. The unit covers stocks and investments and is designed to take several weeks.

For the first two weeks of the project, I will introduce the information by briefly going through the three chapters in the book. The students will be given one test that covers these three chapters.

After the introductory information, the students will take a test (pretest) over the stocks and bonds practice set they will be completing. This will allow me to see what they already know and where more emphasis will be needed.

The practice set, The Stock Market: An Investment Simulation, published by South-Western Publishing Company, is designed to take five weeks (two weeks of training and three weeks of trading). Also during this time, the students will be following selected stocks they have chosen in the Wall Street Journal Express. They will be using a worksheet for recording their company's day-to-day activities. Each student will choose which stocks they want to follow when they begin trading. Students will be allotted a certain amount of money to purchase stock. They will decide how much they are willing to pay per share.

Toward the end of the project, I plan to take both sections of students on a field trip to Chicago, Illinois, to visit the Federal Reserve Bank, the Chicago Board of Trade, and the Mercantile Exchange. The principal and the school board must approve the trip since the trip is to another state. The field trip is optional. Those that do not go will have an assignment to complete.

The students will retake the test (posttest) at the end of the unit. Hopefully, the students will have an increased understanding of stocks and investments.

This paper will present a chronological log of the project as it progresses.

### *Week 1*

As I began working in the three chapters in the textbook, I quickly realized that many of the concepts would be hard for the students to understand. I had planned my lessons to move quickly through the chapters, which may have been a little too quick. (Appendix A) To help emphasize some of the ideas, I showed both sections of the class a filmstrip over the stock market. I explained that although the filmstrip is about fifteen years old, the idea is still the same and that the only difference would be the clothing that the people wore. The filmstrip was informative, and I think the students were able to comprehend most of it.

### *Week 2*

As we came to the end of the two weeks, I gave the students the pretest (Appendix B). It consisted of 15 matching vocabulary and 25 multiple choice questions to be answered on scantron forms. The pretest score would not affect their final grades but they would receive credit for taking the test. Although the students indicated that they did not know the material on the test, the average score was about 10 points out of 40 points. Those that felt they did not know the material were the ones that got the higher scores.

Plans are being finalized for the field trip to Chicago. A visit or tour could not be scheduled before 9:30 a.m. in order to allow enough time for travel. The first call was to the Chicago Board of Trade. The time requested was approved. The Mercantile Exchange was booked for the entire day. However, we could walk through on our own. I decided to find

something else. The Federal Reserve Bank was not sure of tour times as we needed two different tour times because of the number of students going and another group had tentatively scheduled for the same time. They did return my call, and we were able to get two tour times back to back.

With the assistance of the Edward E. Jones office in Muncie, a non-guided tour at the Chicago Exchange was arranged. Guided tours were for elementary school students.

Our itinerary is set, and we are waiting for approval from the school board (Appendix C). About 30 of the 43 students will be going on the field trip (March 10). The trip is optional for the students. There are several reasons why some of the students do not want to go on the field trip. These include that it will interfere with their plans for Friday night and various track and softball practices. Those not going will have an assignment to do while we are in Chicago. That assignment is being developed.

### *Week 3*

After finishing the three chapters in the textbook and taking a test (Appendix D), the students began the practice set. Students put their names on everything in the practice set to prevent cheating. To prevent working ahead and to encourage students to use class time wisely, they will not take these packets out of the classroom. The students were upset by this. Although they would not have homework for the next several weeks, it meant that they would have to work more efficiently to finish the assignments. I did agree that I would write passes during their ELCs (Extending Learning Center, another term for study hall) if they had been absent from class, but I would not write a pass if they spent their class time talking.

When most of the students have finished a certain day in the book, I take time to highlight important points in their reading, go over answers to the workbook pages, and answer any questions that they might have. I also give some quizzes over the vocabulary, and I allow them time in class to study before taking the quiz.

At the beginning of class, I introduce the "next day's" activities in their book. However, this is not working. Students fell behind very quickly. Because most of the information in the practice set was new and difficult for the students, it was taking more time to complete. However, a few of the students are three days ahead because they are using their time wisely.

#### *Week 4*

We are now about to finish the first week of training with this practice set. I am going to make some changes as far as how many workbook pages are assigned. I think I will have the students only read the pages and do the vocabulary page. The vocabulary is important for them to know to finish the practice set and understand what they are doing. This will also allow us to make up some of the time lost during the first week of training. I am also going to go through one of the "days" as a class. We will read the pages together, and they will do the vocabulary individually. This will, hopefully, help with the reading and comprehension of the material.

#### *Week 5*

We have been working on week two of the practice set. The last two days of the training give the students the chance to start filling out the papers they will be using during the next three weeks. They quickly learn to read all of the information and follow the steps

when completing transactions. If they do not follow the steps in sequence, their answers will be wrong because they are guessing at what is taking place on certain days. Some students are having difficulty because they get in a hurry and think they know how to do everything without reading. I keep stressing the importance of following the steps. If they do not, their grade will reflect their wrong answers.

Permission slips and a letter to parents were handed out. The students were given one week to return the permission slip. The letter informed parents of times, where we were going, cost, discipline, and dress code (Appendix E & F).

### *Week 6*

I have started putting problems on the board and having students fill in the answers and explain how they arrived at their answers. This is an effort to make sure everyone understands how to proceed and use their time wisely.

On Friday, April 12, we took our field trip to Chicago, Illinois. We left school at 5 a.m. with 21 students and four adults (my supervising teacher, another student teacher, a grandmother, and myself). The objective of this field trip was to provide students with a better sense of how stocks are sold and how money is circulated.

Our first stop was The Chicago Stock Exchange. We went to the second floor to look down at the Exchange and to watch them give hand signals about buying and selling.

Our second stop was the Chicago Board of Trade (CBOT). This was basically about options, both agricultural and financial. Again, we watched the members use hand signals and viewed a video that further explained what was happening on the floor.

After the Chicago Board of Trade, we stopped for snacks. The next stop was the Federal Reserve Bank. We began our tour in a room that had a large glass cube filled with \$1 million in one dollar bills. Everyone could see what \$1 million looked like. Again, we watched a video about the Federal Reserve Bank, and they gave all of us a bag of shredded money as a souvenir. After the video, we divided into two groups with one group going to check processing and the other group to cash processing. Each group was able to view both areas. At check processing, the tour guide explained how checks are routed around the country depending on where they initially started. She also explained how the Federal Reserve Bank can tell where the checks need to be returned by the numbers located on the bottom of the checks. In cash processing, we watched a clerk wrap money that was coming in. Old bills, including damaged ones, are taken out of circulation. They also explained that there were about 300 security cameras watching these employees. During the entire tour of the Federal Reserve Bank, a security guard followed us around. They explained that no one was allowed anywhere in the building without a security guard.

After finishing our tour at the Federal Reserve Bank, some students wanted to go to the Sears Tower. We agreed to go since we had a little time before lunch. For lunch, we went to an area that had Hard Rock Cafe, Planet Hollywood, and Rock 'n Roll McDonald's. Most people opted to go to Planet Hollywood. There were a lot of memorabilia from different movies, and one wall had hand prints of movie stars.

After lunch, we headed for the mall in Merrillville, Indiana. Most of the girls were really looking forward to this part of the trip. We had about one and half hours of shopping before heading back to Yorktown.



Overall, I think the trip was a success. The students were well behaved all day and they seemed to learn a lot while having fun. On this trip, I received literature from each of the places we visited (Appendix G).

### *Week 7*

We are now wrapping up the second week of training. The students are learning how to fill out all the paperwork that they will be using during their trading weeks. Before the trading begins, I will go over all of the paperwork on the board and have students fill in the blanks. This will allow them to ask questions if they are unsure of what to do, and it will allow me to see where they are having problems.

Students filling answers in on the board appeared to be very worthwhile. They asked questions about answers the other students came up with. They were also able to ask questions on how to do some of the calculations.

We began the first week of trading by going over what pieces of information (checks and stubs, trading records, Wall Street Express, stock quotes, and instructions) the students would need in order to complete the first trading week. I also explained that they were to follow two New York Stock Exchange stocks and one NASDAQ stock throughout the week and record the information on the charts (Appendix H).

### *Week 8*

By the end of the week, the students are to have the first trading week completed. The days in this week are easier to work, and the students should be able to complete two each day.

Students are working diligently to get through the information. They do seem to have trouble deciding which stocks they should sell when they are asked to sell some of their stocks. Some of them do not want to sell any of their stocks because they are all doing well; others sell the wrong ones and end up losing money.

Students are having fun tracking their stock in the Wall Street Journal. Most of the students picked stock in companies that they are familiar with, like Disney and Nike. This activity is allowing them to see how well these companies are doing and how prices of stock can fluctuate.

### *Week 9*

Students took their posttest this week and did very well. All students improved their scores by a considerable amount and only a couple of students did poorly. This was due to their lack of attempting to try and not taking the work serious.

### *Summary and Conclusion*

This unit was designed to give students a better understanding of investments. We began by going over three chapters in their textbook, which briefly highlighted several areas, and then took a test over those chapters. The students also took a pretest over the practice set they would be doing.

We then began our practice set, The Stock Market: An Investment Simulation, published by South-Western Publishing Company. This was designed to take five weeks; however, I found that this was impossible. We worked on the practice set for seven weeks and only finished three of the weeks in the packet.

Throughout the last week of the practice set, students followed stocks in the Wall Street Journal Express. They used a worksheet for recording their company's day-to-day activities and wrote checks for buying their stock. Each student also chose stock in the Wall Street Journal to follow and track.

During the practice set, students had the option to take a field trip to Chicago, Illinois, to visit The Chicago Stock Exchange, the Chicago Board of Trade, and the Federal Reserve Bank.

On the last day of the practice set, students took the posttest and showed considerable progress. Some students told me that they had learned a lot about buying and selling stocks.

I feel that I did a good job with this unit considering it was the first big unit I had taught. Looking back, I know that all of the lessons were not perfect, and I know that changes need to be made the next time I teach this unit. Some of the changes I would make include omitting certain workbook pages, I would give students a little more freedom to work ahead and set up guidelines to keep students on task and working efficiently.

I would repeat the field trip. I found this to be very educational for those that went. I would work harder at getting more people to go.

SAVINGS AND INVESTMENTS UNIT  
Chapters 31, 32, & 33

Day 1

Green Monday (2/26)  
White Tuesday (2/27)

Announcements/Attendance (5)  
Collect homework  
Go over chapter (5)  
    objectives  
    skim chapter  
Workbook pages (35)  
Break (5)  
Building Business Concepts (pg. 452) (40)

Day 2

Green Wednesday (2/28)  
White Thursday (2/29)

Announcements/Attendance (5)  
Collect homework  
Film (35)  
Break (5)  
Go over grades for mid-term  
Building Math Skills (15)  
Select stocks (20)

Homework:

Chapter 31 outline/vocab  
Chapter 32 BWP/BRC

## Day 3

Green Friday (3/1)  
 White Monday (3/4)

Announcements/Attendance (5)

Collect homework

Go over Chapter 32 (5)

objectives

skim chapter

Building Math Skills-individually (pg. 467) (15)

Building Business Concepts-groups (pg. 466) (20)

Break (5)

Pretest over stocks (20)

Workbook pages (30)

Homework:

Chapter 33 BWP/BRC

Chapter 32 outline/vocab

Need to have things ready for sophomores taking ISTEP

## Day 4

Green Tuesday (3/5) ISTEP testing  
 White Wednesday (3/6) ISTEP testing

Announcements/Attendance (5)

Collect homework

Go over Chapter 33 (5)

objectives

skim the chapter

Building Writing Skills-individually (25)

Workbook pages (30)

Homework:

Chapter 33 outline/vocab

## Day 5

Green Thursday (3/7)  
 White Friday (3/8)

Announcements/Attendance (5)

Review game (25)

Individual study time (15)

Break (5)

Test (30)

Fill out career unit forms

**Introduction to Business**

**Practice Simulation**

**Day 1**

Green Day Monday (3/11)

White Day Tuesday (3/12)

Hand out packets--students will need to put their name on everything

Read "Student's Instruction" from Week 1 Training booklet; the students will take turns reading.

Explain why doing and reading everything is important.

Assign:

Read Week 1 Day 1 (pp. 1-7)  
Workbook pp. 8-14

**Day 2**

Green Day Wednesday (3/13)

White Day Thursday (3/14)

Go over Week 1 Day 1

Assign:

Read Week 1 Day 2 (pp. 15-21)  
Workbook pp. 22-27

**Day 3**

Green Day Friday (3/15)

White Day Monday (3/18)

Go over Week 1 Day 2-check to see if completed to record for homework grade.

Quiz over vocab for Week 1 Days 1 and 2

Assign:

Read Week 1 Day 3 (pp. 29-33)  
Workbook pp. 34-40

**Day 4**

Green Day Tuesday (3/19)

White Day Wednesday (3/20)

Finish Week 1 Day 3-check to see if completed to record for homework grade.

Assign:

Read Week 1 Day 4 (pp. 41-46)  
Workbook pp. 47-57

**Day 5**

Green Day Thursday (3/21)

White Day Friday (3/22)

Go over Week 1 Day 3

Finish working on Week 1 Day 4

Assign:

Read Week 1 Day 5 (pp. 59-64)  
Workbook pp. 65-72

**Day 6**

Green Day Monday (4/1)

White Day Tuesday (4/2)

Finish working on Week 1 Day 5

Go over Week 1 Day 4

Start training for Week 2

Read "Student's Instruction" pg. v; students will take turns reading.

Assign:

Read Week 2 Day 1

**Day 7**

Green Day Wednesday (4/3)

White Day Thursday (4/4)

Finish reading Week 2 Day 1

Assign:

Workbook (only vocabulary page)

Read Week 2 Day 2

Workbook (only vocabulary page)

Announce quiz over vocabulary from Week 1 Days 3, 4, and 5



**Day 8**

Green Day Friday (4/5)

White Day Monday (4/8)

Finish working on Week 2 Day 1 and Week 2 Day 2

Study time for quiz

Take quiz--15 points--handout

Begin working on Week 2 Day 3; read as a class and assign vocabulary page of workbook

**Day 9**

Green Day Tuesday (4/9)

White Day Wednesday (4/10)

Work on Week 2 Day 4 as a class

**Day 10**

Green Day Thursday (4/11)

White Day Friday (4/12)

Work on activities for Week 2 Day 4 in class

pp. 76-96  
pg. 98  
pp. 99-105

Begin reading Week 2 Day 5  
Some students will be on the field trip and will take the assignment home to complete.

**Day 11**

Green Day Monday (4/15)

White Day Tuesday (4/16)

Finish Week 2 Day 4 activities  
Finish reading Week 2 Day 5

**Day 12**

Green Day Wednesday (4/17)

White Day Thursday (4/18)

Begin working on Week 3 Day 1  
Go over instructions  
Begin picking stocks

**Day 13**

Green Day Friday (4/19)

White Day Monday (4/22)

Continue working on Week 3 Day 1  
Pick stock in Wall Street Journal to track

**Day 14**

Green Day Tuesday (4/23)

White Day Wednesday (4/24)

Begin Week 3 Day 2  
Check stocks in Wall Street Journal

**Day 15**

Green Day Thursday (4/25)

White Day Friday (4/26)

Students are to finish Week 3 Day 3 today  
Collect checkbook and trading records  
Check stocks in Wall Street Journal  
Announce Test

**Day 16**

Green Day Monday (4/29)

White Day Tuesday (4/30)

Individual Review  
Notecards for test  
Test

## MATCHING

**Directions:** Match each of the following terms with the definition that best fits the term. Write the letter of the term in the space provided.

- |                       |                                       |
|-----------------------|---------------------------------------|
| a. business structure | i. fundamental analysis               |
| b. common stock       | j. technical analysis                 |
| c. merger             | k. OTC market                         |
| d. stock exchange     | l. stockbroker                        |
| e. bear market        | m. NASDAQ                             |
| f. bull market        | n. Securities and Exchange Commission |
| g. dealer             | o. market value                       |
| h. tender offer       |                                       |

1. \_\_\_\_ A watchdog agency that enforces federal laws pertaining to the stock market
2. \_\_\_\_ The price people are presently willing to pay for a stock
3. \_\_\_\_ A way of trading stocks rather than a place for trading stocks
4. \_\_\_\_ A computerized system that links dealers and brokers across the nation for the purpose of trading OTC stocks
5. \_\_\_\_ A security that represents ownership in a corporation
6. \_\_\_\_ Sole proprietorship, partnership, or corporation
7. \_\_\_\_ The combining into one of two or more previously separate corporations
8. \_\_\_\_ A central place where buyers and sellers meet to trade stocks
9. \_\_\_\_ A person in the business of buying and selling OTC stocks
10. \_\_\_\_ A market that is going down
11. \_\_\_\_ A market that is going up
12. \_\_\_\_ An agent who is licensed by the SEC to buy and sell securities for clients
13. \_\_\_\_ An offer that may be made when a corporation, an investor, or a group of investors wants to gain control of another corporation
14. \_\_\_\_ Concentrates on charting stock prices, trends in the market, and patterns in the indices and with the averages
15. \_\_\_\_ Uses the corporation's financial data to evaluate its stock and help predict the future market value of the stock

## MULTIPLE CHOICE

**Directions:** Choose the ending that best completes each sentence. Write the letter of the ending in the space provided.

- \_\_\_\_ 1. Common stock
- a. is stock that is only sold in the OTC market.
  - b. is one of the most popular types of securities and represents ownership in a corporation.
  - c. is a type of bond that earns 6 percent interest per year.
  - d. involves stockbrokers trading among themselves.

- \_\_\_\_\_ 2. The business structures of America's economic system are
  - a. small businesses, large businesses, and conglomerates.
  - b. privately owned businesses and publicly owned businesses.
  - c. a board of directors and stockholders.
  - d. sole proprietorships, partnerships, and corporations.
- \_\_\_\_\_ 3. The Securities and Exchange Commission is
  - a. a watchdog agency created by Congress that enforces federal laws pertaining to the stock market.
  - b. a watchdog agency created by Congress that monitors the country's national security program.
  - c. a watchdog agency created by Congress that monitors all security systems in banks.
  - d. the most prestigious brokerage firm in the country.
- \_\_\_\_\_ 4. A stockholder
  - a. sells securities for the government.
  - b. holds securities for a broker and sells them to the broker.
  - c. owns stocks.
  - d. holds securities for a bank.
- \_\_\_\_\_ 5. A full-service stockbroker
  - a. will only help you buy bonds.
  - b. will only help you purchase stocks from the over-the-counter market and will charge a fee.
  - c. will help you purchase stocks, will do research for you, will offer advice on stock purchases, and will charge a commission based on the dollar value of the transaction.
  - d. buys stocks for banks only.
- \_\_\_\_\_ 6. Designated order turnaround (DOT) is
  - a. a process for cancelling or "turning around" stock orders.
  - b. a special order that only applies to the OTC market.
  - c. a computerized system that applies only to the OTC market.
  - d. a computerized system that allows stockbrokers to wire small orders (less than 1,200 shares) directly to the computer of the appropriate specialist on the floor.
- \_\_\_\_\_ 7. The Stock Watching Service is
  - a. an organization that will notify investors (for a fee) when their stocks are plummeting so they can sell fast and minimize their losses.
  - b. a computerized system that tracks all stocks traded on the exchanges and automatically flags any unusual movement of stocks.
  - c. a service that will watch, or track, your stocks for you while you are on vacation.
  - d. a service that helps brokers watch the price fluctuations of stocks.
- \_\_\_\_\_ 8. A stock exchange is
  - a. a central place where OTC stocks are traded.
  - b. a central marketplace where buyers and sellers meet to trade stocks.
  - c. a division of the SEC.
  - d. a place where stockholders can exchange their stocks for a refund.
- \_\_\_\_\_ 9. GTC means
  - a. good 'til cancelled.
  - b. Government Tactical Corporation.
  - c. government-tallied corporations.
  - d. good 'til called.

- \_\_\_\_\_ 10. Economic indicators can be used
  - a. to gauge the health of the economy.
  - b. to gauge the health of a brokerage firm.
  - c. to determine the popularity of a stock.
  - d. to determine the top economist in the nation.
- \_\_\_\_\_ 11. The Dow Jones Industrial Average is
  - a. the average income generated by all of the corporations owned by Charles Dow and Felix Jones.
  - b. the average price for which industries were sold that year.
  - c. the oldest and most popular OTC stock market average based on 30 companies.
  - d. one of the oldest and most popular stock market averages.
- \_\_\_\_\_ 12. The GNP is
  - a. the Great National Production and is the total output of the New York and American Stock Exchanges.
  - b. the Gross National Product and is the total of the goods and services produced by U.S. companies in a year, including goods and services produced overseas.
  - c. the Gross National Product and is the total value of all securities sold in the entire stock market.
  - d. the Good New Program, a computer program designed to limit program trading.
- \_\_\_\_\_ 13. The Fed is
  - a. the Federal Reserve Board, a private corporation created by an act of Congress to regulate the nation's banks.
  - b. a federal agent who investigates insider trading and stock embezzlement.
  - c. the federal agency that governs the New York Stock Exchange.
  - d. the federal agency that governs all stock exchanges and the OTC market.
- \_\_\_\_\_ 14. A merger occurs when
  - a. a good 'til cancelled order and a stop loss order are placed at the same time.
  - b. two or more previously separate firms are combined into one firm.
  - c. two competing stockbrokers form a partnership.
  - d. program trading takes place in the New York Stock Exchange.
- \_\_\_\_\_ 15. Blue chip stocks are
  - a. stocks that represent ownership in the OTC market.
  - b. stocks that represent ownership in the Blue Chip Corporation.
  - c. stocks that represent major corporations that have been profitable throughout the years and that have a history of consistently paying dividends.
  - d. stocks of major corporations that have doubled in value in the past year.
- \_\_\_\_\_ 16. Institutional buying is
  - a. the purchasing of large blocks of stocks by institutions rather than by an individual investor.
  - b. the purchasing of large quantities of products in order to supply institutions.
  - c. the purchasing of large institutions.
  - d. the purchasing of large OTC institutions by individual dealers.
- \_\_\_\_\_ 17. Program trading is
  - a. trading OTC stocks among dealers.
  - b. trading stock programs among brokers.
  - c. a computer system that automatically triggers buy and sell orders without any human interaction.
  - d. a computer system that automatically triggers orders for the specific use of the New York Stock Exchange.

- \_\_\_\_\_ 18. Buying on margin is
- allowing investors to purchase stocks with money borrowed from their brokers.
  - allowing investors to purchase stocks with money borrowed from the government.
  - allowing investors to purchase stocks on credit from a bank.
  - allowing investors to purchase stocks on credit from the New York Stock Exchange.
- \_\_\_\_\_ 19. The SIPC is
- the Securities Industry Protection Corporation, a special organization that helps the SEC monitor the securities industry.
  - the Securities Investor Protection Corporation, which insures investors' accounts with brokerage firms.
  - the Special Individual Protection Corporation, a private corporation that insures investors for a small commission.
  - the Special Individual Protection Corporation, an agency of the New York Stock Exchange that protects the investor by monitoring all NYSE transactions.
- \_\_\_\_\_ 20. Fundamental analysis
- uses a corporation's financial data to evaluate its stock and help predict the future market value of the stock.
  - charts the price fluctuations of a particular stock to help predict its future market value by studying the fundamentals of its employee handbook.
  - analyzes a corporation's income-producing ability by charting its profits and losses over a period of years.
  - uses the ticker tape to evaluate a stock to help predict its future market value.
- \_\_\_\_\_ 21. Technical analysis
- uses the income statement of a corporation to help determine the value of its stock.
  - is the second approach investors use to analyze stocks and concentrates on charting.
  - is an approach used by investors to analyze technical industries, such as bio-engineering firms, defense firms, etc.
  - uses a corporation's financial data to evaluate its stock and help predict the future market value of the stock.
- \_\_\_\_\_ 22. The OTC market is
- the Out-of-Town-Corporations market, an exchange that deals solely with corporations based outside of New York City.
  - the over-the-counter market, where trading is accomplished through telephone and computer networks rather than on an exchange floor.
  - the over-the-counter market, where trading is accomplished by trading stocks on a centralized trading floor.
  - the over-the-counter market, a centralized trading floor where buyer and seller meet to trade stocks from little-known and small companies.
- \_\_\_\_\_ 23. NASD is
- the National Association of Securities Dealers, a prestigious association for the nation's top stockbrokers.
  - the National Association of Securities Dealers, an organization of dealers in the OTC market.
  - the Nation's Authorities on Stock Deals, a compilation of all stock transactions that have occurred over the past 50 years.
  - the National Association of Securities Dealers, an organization of dealers who buy and sell securities on the floor of the New York Stock Exchange.

- \_\_\_\_\_ 24. The National Market System is
- a. a computerized network that keeps track of the securities bought and sold on all of America's financial markets.
  - b. a computerized network that keeps track of the actual New York Stock Exchange transactions as they happen.
  - c. a computerized system that keeps track of all stocks bought and sold by all of America's stockbrokers.
  - d. a computerized network that keeps track of the actual OTC stock transactions as they happen.
- \_\_\_\_\_ 25. Stocks are charted
- a. to help stockbrokers keep track of clients' stock purchases.
  - b. to determine if there are any illegal transactions occurring.
  - c. to determine the future stock trends and predict a particular stock's future value.
  - d. to help the SEC monitor the securities industry.



**FIELD TRIP TO CHICAGO**

5:00 a.m.      Leave Yorktown High School

9:45 - 10:15   Chicago Stock Exchange

11:00 - 11:30   Chicago Board of Trade

12:00 - 1:00   Federal Reserve Bank  
1:00 - 2:00   Sears Tower

                 or

12:00 - 1:00   Sears Tower  
1:00 - 2:00   Federal Reserve Bank

2:00 - 4:00   Lunch

5:00 - 7:00   Merrillville Mall

                 Shopping/Dinner

10:00 p.m.      Return to Yorktown High School

Name \_\_\_\_\_

**Chapters 31 32 & 33****Multiple Choice**

- \_\_\_\_\_ 1. Purchasing rare stamps is a way of investing in  
A. real estate  
B. the U.S. Postal Service  
C. collectibles
- \_\_\_\_\_ 2. You can earn more money on your savings account if  
A. the interest is compounded daily  
B. it is insured for \$100,000  
C. the money is easily available
- \_\_\_\_\_ 3. Saving money for a car is an example of saving  
A. to make a purchase  
B. for emergencies  
C. for security
- \_\_\_\_\_ 4. The investments with the least liquidity are  
A. stamp collectibles  
B. stocks  
C. savings accounts
- \_\_\_\_\_ 5. The investment with the greatest amount of risk is  
A. government bonds  
B. real estate  
C. money market funds
- \_\_\_\_\_ 6. Bonds sold by local or state governments and by certain government agencies are called  
A. corporate bonds  
B. mortgage bonds  
C. municipal bonds
- \_\_\_\_\_ 7. Bonds that show the name of the owner on the face of the certificate are  
A. registered bonds  
B. coupon bonds  
C. bearer bonds
- \_\_\_\_\_ 8. A bond that is purchased at a 50 percent discount is a  
A. treasury bond  
B. U.S. savings bond  
C. registered bond
- \_\_\_\_\_ 9. One advantage of a mutual fund is that  
A. the brokerage fee is lower than for other kinds of stock  
B. there is less risk that you will lose your investment because of the poor performance of a single stock  
C. they have the highest rate of return of all stocks

**Matching**

- |           |   |    |                      |
|-----------|---|----|----------------------|
| _____ 1.  | Ability to change an investment into cash   | A. | Common stock         |
| _____ 2.  | Adding earned interest to an account balance and figuring interest for the next period on the new balance | B. | Bonds                |
| _____ 3.  | Rising costs of goods and services  | C. | Liquidity            |
| _____ 4.  | Putting money to work so that it earns income   | D. | Income property      |
| _____ 5.  | Loans to business and government on which interest is paid  | E. | Equity               |
| _____ 6.  | Company profits that are distributed to the company's stockholders  | F. | Investing            |
| _____ 7.  | Type of stock that all profit-making corporations must offer  | G. | Compounding          |
| _____ 8.  | General term for stocks and bonds   | H. | Securities           |
| _____ 9.  | Central place where stockbrokers, and buyers and sellers of stock can meet                                | I. | Inflation            |
| _____ 10. | Stock whose holder receives dividends before other stockholders do  | J. | Collectibles         |
| _____ 11. | Rental buildings, for example   | K. | Dividends            |
| _____ 12. | A home constructed in a factory and shipped completely assembled to a site                                | L. | Manufactured home    |
| _____ 13. | Difference between the value of the property and the amount owed on the mortgage                          | M. | Preferred Stock      |
| _____ 14. | Stamps, coins, or ceramic statues, for example  | N. | Undeveloped property |
| _____ 15. | Land that is generally in its natural state   | O. | Stock exchange       |

**Completion**

- |    |   |       |
|----|---|-------|
| 1. | The possible loss from an investment is known as                | _____ |
| 2. | A dealer who specializes in stock transactions is a(n)          | _____ |
| 3. | A document detailing a corporations financial condition is a(n) | _____ |
| 4. | Agricultural or mining products that can be traded are called   | _____ |
| 5. | Items that people collect are called                            | _____ |

- \_\_\_ 10. At a stock exchange you would not find people
  - A. buying and selling stocks
  - B. buying and selling stocks contained in mutual funds
  - C. buying and selling over-the-counter stocks
- \_\_\_ 11. Someone who has the title to a property and few maintenance responsibilities owns a
  - A. manufactured home
  - B. condominium
  - C. cooperative
- \_\_\_ 12. When you invest in collectibles, the return on your investment is realized
  - A. when you purchase items
  - B. every year
  - C. after you sell items
- \_\_\_ 13. Ongoing carrying costs involved in owning a house include
  - A. a down payment
  - B. closing costs
  - C. mortgage payments
- \_\_\_ 14. A person who sells his or her investment without ever seeing it is
  - A. a commodities trader
  - B. a collector
  - C. someone buying a cooperative
- \_\_\_ 15. The larger the down payment you make on a house
  - A. the smaller your monthly payments will be
  - B. the larger your mortgage and other carrying costs will be
  - C. the lower your property taxes and insurance payments will be

**True/False**

- \_\_\_ 1. Investing in a business is less risky than investing in a money market fund.
- \_\_\_ 2. The rate of return on an investment is usually stated as a specific dollar amount.
- \_\_\_ 3. A high rate of inflation can cause your money to lose value.
- \_\_\_ 4. Generally, government bonds carry more risk than corporate bonds.
- \_\_\_ 5. Stocks mature in 7 or 12 years.
- \_\_\_ 6. Stocks listed on one of the major exchanges are also bought and sold through the over-the-counter market.
- \_\_\_ 7. Buying a home is the single most expensive purchase most people make.
- \_\_\_ 8. Silver and gold are examples of collectibles.
- \_\_\_ 9. Although real estate generally increases in value, it is possible to make a poor real estate investment.
- \_\_\_ 10. The value of undeveloped land will decrease if a developer becomes interested in building on the land.

**FIELD TRIP PARTICIPATION PERMISSION FORM AND RELEASE**  
**MOUNT PLEASANT TOWNSHIP COMMUNITY SCHOOL CORPORATION**

Trip to Chicago, Illinois with Introduction to Business class  
DESTINATION GROUP OR TEACHER

\_\_\_\_\_  
STUDENT'S NAME

\_\_\_\_\_  
GRADE

**THIS SECTION IS TO BE COMPLETED BY THE PARENT / GUARDIAN OF EACH STUDENT PRIOR TO PARTICIPATION IN A SCHOOL FIELD TRIP AND BY EACH STUDENT 14 YEARS OF AGE OR OLDER:**

I/We, the parent(s) of the student named above, on my/our own behalf and on behalf of my/our child, in full recognition and appreciation of the dangers and hazards inherent in this field trip, do hereby give my/our consent for his/her participation in this trip, and in consideration of the provision by Mount Pleasant Township Community School Corporation of the transportation and means by which this trip is undertaken, hereby release and discharge the Mount Pleasant Township Community School Corporation, its officers, agents, employees and the sponsors/chaperones of this trip, from and against any and all claims or causes of actions on account of damage to property, or for personal injury or death which may result from the student's participation in this field trip or transportation during this field trip, except and unless such damage, injury or death is caused by the gross, willful, or wanton negligence of the released parties, or by their intentional misconduct.

\_\_\_\_\_  
Parent(s) Signature(s) and Date

\_\_\_\_\_  
Student's Signature and Date (if 14 + years old)

**THIS SECTION IS TO BE COMPLETED BY EACH STUDENT IN GRADE 3 OR ABOVE PRIOR TO PARTICIPATION IN A SCHOOL FIELD TRIP.**

I, the undersigned student do hereby agree to abide by all rules and regulations set forth by the sponsors/chaperones of this group.

\_\_\_\_\_  
Student's Signature

\_\_\_\_\_  
Date

***Completion of the section in this box is voluntary. However, failure to provide this information may result in medical authorities having to contact you before providing medical treatment to your child in case of an emergency.***

Should I be unavailable or otherwise unable to provide direct authorization, I hereby grant to the school principal or his/her designee the authority to act for me and to provide any required consents and authorization for the delivery of the emergency medical care, diagnoses, and treatment, including surgical intervention, if necessary, on behalf of my minor child and to do all other necessary things as I might or could do to provide for the child's health and safety, as if I were present.

Home Telephone Number \_\_\_\_\_

Mother's Employment or Emergency Telephone Number \_\_\_\_\_

Father's Employment or Emergency Telephone Number \_\_\_\_\_

Doctor Preferred \_\_\_\_\_

Doctor's Name

Telephone Number

Insurance Company \_\_\_\_\_

Policy Number(s)

Allergies and/or current medical treatments \_\_\_\_\_

## Introduction to Business

### Fieldtrip to Chicago Information Sheet

#### Time Schedule

We will leave Yorktown High School at 5 a.m. on Friday, April 12, by school bus.

Hopefully, we will return by 9 p.m. This is an approximate time. You will be able to use my phone to call your parents when we return. You should not have them arrive at 9 p.m. because of the uncertainty of the time we will be back.

#### Clothing

Wear comfortable yet nice clothing. You can wear nice jeans or slacks and comfortable but nice shoes. Do not wear sweats. Try to stay away from t-shirts. You will be touring businesses and will want to look nice.

#### Tour Information

We will tour the Chicago Board of Trade, the Federal Reserve Bank, and the Chicago Exchange. All of these are located near each other. Keep in mind that you need to be quieter than usual and stay with the group, especially when touring the bank. This will be a business day for all of the businesses that we will visit. Let's make a good impression.

#### Meals

We will stop at a rest stop in the Lafayette area on the way to Chicago. I would suggest that you bring snacks along with you. We will not eat lunch until about 2 p.m. For lunch we will go to an area that has a Hard Rock Cafe, Rock 'n Roll McDonalds, and a Planet Hollywood. You can choose where you want to eat. Our plans for dinner include stopping at the mall in Merrillville for about 1 1/2 hours to shop and eat.

#### Misc. Info

If the weather is really nice, we may stop at the zoo in Chicago after lunch. It depends on the time that we have available, too.

#### Cost

You will only have to pay for what you eat. If you choose to spend money while shopping, that is entirely up to you.

## **Literature**

### **Chicago Board of Trade**

“From Beans to Bonds: A Brief Look at the Chicago Board of Trade”

### **Federal Reserve Bank**

“The Fed: Our Central Bank”

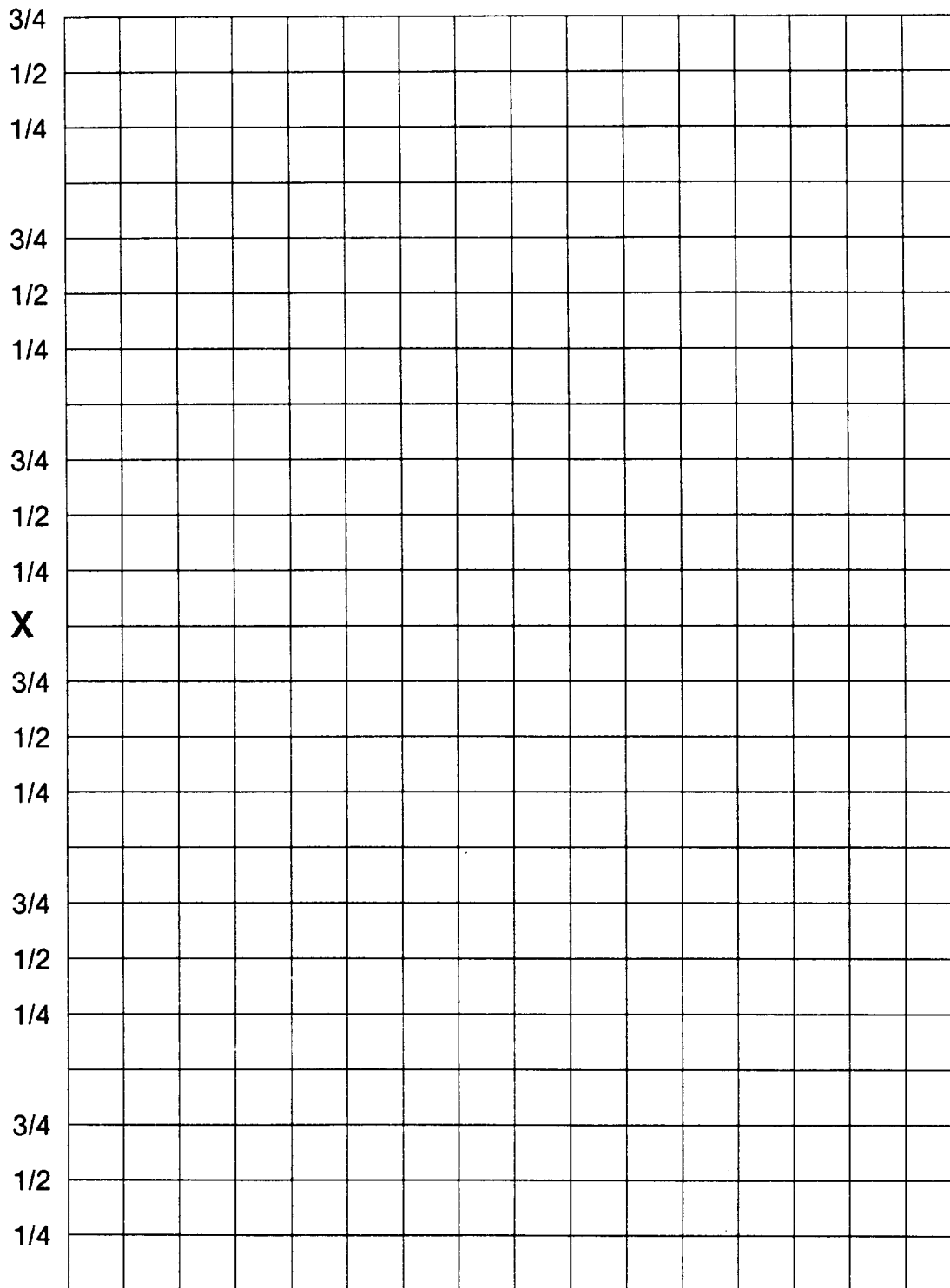
“On Reserve”

### **Chicago Stock Exchange**

“The Chicago Stock Exchange: An Educational Overview”

**STOCK CHARTING PAPER**

STOCK: \_\_\_\_\_



DATES    D1   D2   D3   D4   D5   D1   D2   D3   D4   D5   D1   D2   D3   D4   D5